

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2004 - SB 2022

February 12, 2018

SUMMARY OF BILL: Requires the Department of Health (DOH) to establish, maintain, and publicize a toll-free telephonic and web-based hotline for the purposes of receiving allegations of opioid abuse or diversion. Requires any entity that prescribes, dispenses, or handles opioids to display a sign advertising the hotline. Requires the DOH to refer reports received through the hotline to the appropriate health-related board or law enforcement official. Creates protections for those reporting in good faith. The proposed legislation has an effective date of January 1, 2019.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$305,800/FY18-19/Division of Health Related Boards
\$585,800/FY19-20 and Subsequent Years/
Division of Health Related Boards**

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Health Related Boards had an annual surplus of \$4,526,956 in FY15-16, an annual surplus of \$3,551,254 in FY16-17, and a cumulative reserve balance of \$32,645,083 on June 30, 2017.

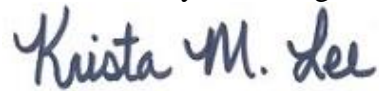
Assumptions:

- Based on the information provided by the DOH, the proposed legislation cannot be accommodated within existing resources. The DOH will require three additional Public Health Nurse Consultant 1 positions to review and investigate the allegations that are forwarded to them from the hotline.
- The one-time increase in state expenditures associated with the additional positions is estimated to be \$12,900 (\$4,800 + \$8,100 office furniture).
- The recurring increase in state expenditures associated with the additional positions is estimated to be \$285,840 (\$201,024 salary + \$55,116 benefits + \$23,700 administrative cost + \$4,200 communications + \$1,800 supplies).
- Based on the cost of establishing and maintaining the Tennessee breastfeeding hotline, the recurring increase in state expenditures associated with establishing the opioid abuse hotline is estimated to be \$300,000.

- The total recurring increase in state expenditures is estimated to be \$585,840 (\$285,840 + \$300,000).
- Due to the effective date clause, the first year (FY18-19) increase in state expenditures is estimated to be \$305,820 [$\$12,900 + (\$585,840 \times 50.0\%)$].
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Health Related Boards had an annual surplus of \$4,526,956 in FY15-16, an annual surplus of \$3,551,254 in FY16-17, and a cumulative reserve balance of \$32,645,083 on June 30, 2017.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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